



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 2185 (1951)

December 6, 1990

SUBJECT: IRS Offset - Borrower Referral

TO: State Directors, District Directors and County Supervisors

PURPOSE/INTENDED OUTCOME: The purpose of this AN is to remind field offices to regularly review the list of borrowers referred for IRS offset. Borrowers referred in error or who become ineligible for offset must be removed.


COMPARISON WITH PREVIOUS AN: No AN has been issued on this subject.

IMPLEMENTATION RESPONSIBILITIES: Attached for servicing counties only is RC 865, "Borrower Accounts Submitted to IRS for Offset Report." This listing shows those borrowers who have been referred to IRS for offset. County Supervisors must review this list within one week of receipt to verify that only those borrowers who are eligible for IRS offset have been referred. The County Supervisors should make sure that the names they deleted from the Finance Office reports, "Listing of Borrowers Eligible for Offset (Prior to 60-day Notice)" and "Borrowers Sent Due Process Notices for IRS/Credit Bureau Referrals," received in August and October, respectively, do not show up on RC 865.

To remove a borrower from IRS offset or change the amount referred for offset, the County Office must fill out the revised Form FmHA 1951-43, "Adjustment of Accounts Referred for IRS," issued on PN 150, dated December 19, 1990. If any borrowers have been referred to IRS by mistake or they become ineligible for offset for any reason stated in FmHA Instruction 1951-C, §1951.122, the County Office must prepare Form FmHA 1951-43 and immediately send it to the Finance Office. For Tax Year 1989, the Finance Office processed approximately 1,200 refunds of IRS offsets for over \$1.2 million. Delete borrowers from offset as soon as they become ineligible to avoid the time and expense of processing refunds.

The servicing counties will periodically receive various IRS offset reports from the Finance Office. Descriptions of these reports and County Office requirements are listed in FmHA Instruction 1951-C, §§1951.132 through 1951.135.

If you have any questions concerning any aspect of the IRS offset process, please call the Quality Control Section at the Finance Office at (314) 539-2492 or FTS 262-2492.

  
LA VERNE AUSMAN  
Administrator

EXPIRATION DATE: December 31, 1991

FILING INSTRUCTIONS: Preceding FmHA  
Instruction 1951-C



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